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EXTENSION OF TENURE OF GOVERNMENT
CONTROL OF RAILROADS

STATEMENTS

OF

HON. W. G. McADOO

DIRECTOR GENERAL OF RAILROADS

BEFORE THE

INTERSTATE COMMERCE COMMITTEE OF THE
UNITED STATES SENATE

JANUARY 3 AND 4, 1919



WASHINGTON
GOVERNMENT PRINTING OFFICE
1919

5 8 17
COPY-----1924

SPEECH OF HON. W. G. McADOO BEFORE THE
CENTRAL TRADES AND LABOR ASSEMBLY

AT SYRACUSE, NEW YORK

LABOR DAY, SEPTEMBER 6, 1920.

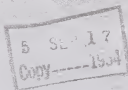
The United States is the only Nation in the world where a holiday is especially dedicated to Labor. It is not merely a day of excursions and speech-making, of rest and health-seeking, of outings and picnics and games—it is something more. It is a day of deep significance in our national life, when men and women all over the land come together to consider and to celebrate the things that have made this Nation free and great.

Labor Day is a recognition of the power and dignity of the men and women who toil and who, by their brawn and thought and thrift, have made America industrially pre-eminent among the peoples of the earth. It is characteristic of the high ideals of America to establish and observe such a holiday. "Where there is no vision", says the proverb, "the people perish". Labor Day is an evidence of the vision of the American people. It is an appropriate occasion for peaceable conference and discussion of the problems which vitally concern labor and humanity and the welfare and progress of the American people.

The war has served to sharpen the more serious of the domestic problems which are now pressing for solution. These problems will test the strength and efficiency of our Democracy. They are not by nature, nor should they become by perversion, purely political questions. They are profound economic and social questions, and we should bring to their consideration the most dispassionate, intelligent and tolerant judgment of which we are capable.

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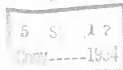
#52

**Speech of W. G. McAdoo at Jackson
Day Dinner of Southern California
Democratic Club, Los Angeles,
Cal., January 8th, 1921**



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114



**Speech of Honorable W. G. McAdoo
at Newton, Kansas, September
7th, 1921**



87-108
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#54

RAILROAD REVENUES AND EXPENSES

EXTRACT FROM HEARINGS
BEFORE THE
COMMITTEE ON INTERSTATE COMMERCE
UNITED STATES SENATE

SIXTY-SEVENTH CONGRESS

SECOND SESSION

PURSUANT TO

Senate Resolution 23

DIRECTING THE COMMITTEE ON INTERSTATE COMMERCE
TO HOLD HEARINGS UPON MATTERS RELATING TO
REVENUES AND EXPENSES OF RAILROADS
WHICH REPORT TO THE INTERSTATE
COMMERCE COMMISSION

FEBRUARY 1 AND 2, 1922

TESTIMONY OF
WILLIAM G. MCADOO

INDEXED



WASHINGTON
GOVERNMENT PRINTING OFFICE
1922

Speech Delivered by

W. G. McADOO

Before the

KANSAS STATE DEMOCRATIC CONVENTION

at

HUTCHINSON, KANSAS

MAY 24, 1922



The question which most immediately concerns the American people is prosperity. The business man is weary of restricted trade and high taxes. The farmer is worn to a frazzle by heavy losses inflicted upon him through the merciless processes of so-called deflation or "normalcy." Labor is tired of unemployment and would like something else to do than hunting for a job or fighting wage reductions. The vast army of men and women of moderate salaries or small means, who are dependent on good business for the opportunity to work, are anxious for better times and sufficient pay to meet the cost of living. Everybody is tired of excessive railroad rates, of bad government, and, above all, of bad politics. The recent days of Democratic prosperity shine happily by contrast with these unhappy days of Republican "normalcy." How to regain prosperity persistently demands an answer. Among the most important essentials to its restoration are not alone the preservation, but the increase of our foreign trade; and, along with that, reduction of taxation, a more equitable distribution of the tax burden, and a tariff law that will not destroy our foreign markets.

Under our system of government it is difficult to accomplish these ends except through political action. We are in the habit of relying in large part on political action for solution of economic problems and, so long as this continues, wise and well-administered government becomes more and more necessary to the life and prosperity of the people. Therefore, unless we are prepared to accept the evil consequences of the economic mistakes and absurdities that may follow upon the election of the wrong party or the advice of unwise leaders, we should not vote blindly on political issues. We should study and understand them. When we apply the same brains to voting on political issues that we do to our business affairs, we shall have better government and more prosperity.

REPUBLICANS OPPOSED FEDERAL RESERVE SYSTEM

An instance of what I mean by solving economic problems through political action is the Federal Reserve System. For generations we had suffered financial panics and colossal losses because of a financial system which was both unsound and insufficient for the needs of the Nation. It could be remedied only through political action. The Republican Party, despite its claim that it alone possessed the "best minds" of the Nation, had proven itself, during 50 years of power, wholly incompetent to solve this problem, and was consistent in its solid oppo-

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1922

Speech Delivered by Hon.
Wm. G. McAdoo on Arm-
istice Day, November 11,
1922, at Fullerton, Califor-
nia, under the auspices of
the American Legion
Posts of Orange County



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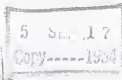
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1922, at Fullerton, Califor-
nia, under the auspices of
the American Legion
Posts of Orange County





LEGISLATION AFFECTING EX-SERVICE MEN

ADDRESS

DELIVERED BY

HON. WILLIAM G. McADOO

EX-SECRETARY OF THE TREASURY

BEFORE THE

AMERICAN LEGION POSTS OF ORANGE COUNTY
AT FULLERTON, CALIF.

ON ARMISTICE DAY, NOVEMBER 11, 1922



(Printed in the CONGRESSIONAL RECORD
Monday, November 27, 1922)



WASHINGTON
GOVERNMENT PRINTING OFFICE
1922

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W. G. MCADOO ON THE SOLDIERS' BONUS

On Nov. 13, 1923, Mr. McAdoo received the following telegram from Wm. Seaver Wood, Editor of the "Literary Digest":

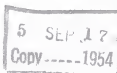
"Secretary Mellon says that we can have a tax reduction of more than three hundred million dollars next year, or a soldier's bonus, but not both. Which should we choose? We will be glad if you will wire us your opinion for quotation in the 'Literary Digest.'"

On Nov. 14, 1923, Mr. McAdoo replied as follows:

"Replying to your telegram, we can have tax reduction and do justice to the American soldier as well. By treating adjusted compensation as a part of the war cost and funding it through an issue of fifty-year bonds, the interest and sinking fund charge should not exceed eighty to ninety million dollars per annum. This would not prevent a reduction in taxes. This question should long ago have been taken out of politics and in no circumstances should be used for political advantage. The men who served in the trenches got one dollar and ten cents per day; those in the reserves in America got one dollar per day. If the American people believe that it was worth two dollars and thirty-five cents per day to serve in the trenches and two dollars per day to serve in the reserves in America, these being the rates the soldiers are asking as adjusted compensation, then the difference between these rates and what the soldiers have already received should be paid as an act of justice. We gave more than five hundred thousand civil employees of the Government during the war a bonus of two hundred and forty dollars per annum, and this has continued for more than five years. Is it less right to give the men who fought the war equal consideration? We can never afford to say that justice shall not be done because it costs something. We have spent our blood copiously in various wars to secure justice; shall we refuse to spend money to give justice? Justice must never be measured in dollars; it must be measured only in righteousness and humanity."

On Nov. 22, 1923, Mr. McAdoo made the further statement:

"The Secretary of the Treasury has stated that taxes can be reduced \$323,000,000 per annum if the soldiers' bonus is not granted; that they cannot be reduced if the bonus is granted. I repeat that taxes can be reduced and that the bonus can be paid as well. The Finance Committee of the Senate, of which Mr. McCumber was chairman and Mr. Smoot a leading member, reported in 1921 that if every veteran should accept cash, the total cost of adjusted compensation would be approximately \$1,548,000,000. This figure is confirmed by the Secretary of the Treasury in his letter of July 2, 1921, to Senator Frelinghuysen. I favor paying the bonus in cash and getting it behind us. This can be done by issuing fifty-year bonds for the required amount. The interest charge, including a sufficient sinking fund provision at 5 per cent, will be \$77,400,000 per annum. Deduct this from the \$323,000,000 tax reduction proposed by the Secretary of the Treasury, and we have a net reduction in taxes of \$245,600,000 and the soldiers' bonus will be disposed of with justice to the men and honor to the country. Various alternative plans were proposed by the Senate Finance Committee, and if all of them were adopted the cost of the bonus would be indeterminate and would undoubtedly greatly exceed the cash plan I have suggested. It is these alternatives which have caused confusion in the public mind as to the real cost of the bonus. But the liability under the cash plan has been definitely determined by the exhaustive investigation and report of the Finance Committee of the Senate. I am confident that it will be acceptable to nine-tenths of the soldiers. Its adoption will take the matter out of politics and put an end to the controversy. I believe also that this just recognition will prove an effective barrier against any demand that may be made in the future for service pensions, which, because of the great number of men involved, would impose an almost impossible burden on the American people. Justice to the soldiers now may prevent injustice to the people later. Those who oppose a settlement of this matter by saying it will hurt the credit of the Government, or that it cannot be financed by the Treasury, remind me of those who insisted that the Liberty Bonds could not be sold to the people. They were pessimists then as they are pessimists now."



ADDRESS OF
HON. WILLIAM G. MCADOO
AT THE
FORTIETH ANNUAL COMMENCEMENT OF THE UNIVERSITY
OF SOUTHERN CALIFORNIA
LOS ANGELES, CALIFORNIA
JUNE 21ST, 1923

Mr. President, Ladies and Gentlemen:

These graduates are about to enter upon the higher duties and responsibilities of citizenship in this great Republic. They are on the threshold of their careers. In the natural order of events, their generation will in time have to assume the responsibilities of government and direct the destinies of the American people until they are relieved by the generation which will succeed them. It would seem not inappropriate, therefore, to let our minds revert to the meaning and purposes of democratic institutions and to the nature of the obligations which good citizenship imposes.

In his Gettysburg address Abraham Lincoln gave, in a few words, a striking definition of democracy. He described it as "Government of the people, for the people, by the people." By this he meant government springing from the people, government administered in the interest of the people, government controlled and directed by the people. Lincoln's definition necessarily excludes as undemocratic any form of government that springs from any particular class, that is administered in the interest of privilege or is controlled or directed by selfish interests. The greatest problem of democracy is to keep government clean, to prevent it from being prostituted to improper ends, and to secure to every citizen that equality of opportunity within the law which is the very essence of democratic aspiration and democratic control.

VITAL IMPORTANCE OF DEMOCRACY.

Democracy is the most serious of all human institutions. It is also the most difficult for it represents, in its true purpose, the rule of the people as against the rule of the individual. This differentiates democracy from autocracy. In the latter the will of the ruler is substituted for the personal responsibility of the citizen, and the citizen acts under the external restraint imposed by autocratic will. Democracy, on the other hand, exalts the responsibility of the citizen and substitutes self-respect and individual initiative for external restraint. It is the conscience and intelligence of the people in a democracy, operating upon their representatives in government, which determine the character and effectiveness of democratic institutions.

Since the people in a democracy are, the source of power in government, the difficulty of securing an expression of the popular will based upon knowledge and understanding of the facts, makes it harder to maintain democratic institutions than to achieve them. This is verified by our own history. Our war for independence and the reconciliation of the conflicting interests of the thirteen original colonies through the establishment of the Government of the United States were, indeed, formidable

William Gibbs McAdoo

Mr. McAdoo was born in Marietta, Ga., on October 31, 1863. He was the eldest son of William Gibbs McAdoo, District Attorney of Knoxville and an ex-veteran of the Confederate army. His mother, Mary Faith Floyd, was the granddaughter of General John Floyd, famous Indian fighter.

His boyhood was spent in utmost poverty as a result of the Civil war. When he was 14, his family moved to Knoxville, where he became a student of the University of Tennessee. At the age of 18, before he had graduated, he was appointed deputy collector of the U. S. Circuit Court at Chattanooga, Tenn., and there three years later he was admitted to the bar.

At the age of 29 he went to New York, where he spent several years in the practice of law and later undertook the task of building the Hudson Tunnels; of which company he was President from 1902 until 1912.

In 1912 Mr. McAdoo was vice chairman of the Democratic National Committee, and, because of the illness of the chairman, Mr. McCombs, he was placed in charge of the campaign. At the close of the campaign, when Mr. Wilson was elected, he was given the post of Secretary of the Treasury, where he was instrumental in saving the country from the threatened panics of the succeeding two years.

In September 1914, realizing that the lack of American ships was stopping the export trade, the shipping of other countries being curtailed by the demands of the war, Mr.

McAdoo proposed and championed the bill which later made possible the present Merchant Marine.

During the period from April 6, 1917, when war was declared against Germany, until the armistice was signed, the tax upon his time and energy was tremendous; not only was he the guardian of the treasury but he also was appointed Director General of the Railroads; he was Chairman of the Federal Reserve Board and Chairman of the Federal Farm Loan Board, Chairman of the War Finance Corporation, Chairman of the International High Commission, Director of the Public Health Service, Director of the War Risk Insurance Bureau; in his charge was the Bureau of Printing and Engraving, where all the money and bonds of the country are turned out, the Federal mints, the National banks, the collection of the Customs besides many other important activities.

Mr. McAdoo has been married twice; the first time in 1885 to Sarah H. Fleming, daughter of Colonel Wm. H. Fleming of Georgia, by whom he had six children, Francis H., Harriet, Nona, Wm. G., Jr., Robert H., and Sally F. Two years after the death of his first wife, in 1914, he married Eleanor, the daughter of President Wilson, by whom he has two additional children: Ellen Wilson, age eight, and Mary Faith McAdoo, age three.

In February 1922 Mr. McAdoo and family moved from New York to Los Angeles, where he is now practicing law.

Brother McAdoo is a member of Chancellor Woolworth Lodge No. 2071, of New York City.

AN INTERVIEW WITH WILLIAM GIBBS McADOO

Los Angeles numbers among its citizens many national — even international — figures; some are more widely known than others, but none has his fame more fully justified or firmly entrenched than Brother W. G. McAdoo. He is and has been all during his lifetime in every sense a *builder*; and feeling that his views upon the subject of Masonry would be of interest to the readers of *THE DIGEST* the editor sought an interview with him. The readiness with which he responded to our request, and the warm-hearted courtesy of his reception, are but the outward manifestations of a humaneness which is the sign of a great man. Listen to what he has to say to you:

"Brother McAdoo, are we making too many Masons (perhaps taking insufficient time to investigate fully the worth and desirability of a candidate, etcetera)?"

"It is difficult to answer that question directly," Mr. McAdoo said.

"The past six years have added to the ranks of Freemasonry a number greater than in any similar period in the history of the Order. This striking



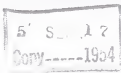
W. G. McAdoo

movement began during the World War. It is easy 'to make too many Masons' in the minor sense of mere additions to membership but it is impossible 'to make too many Masons' of the high character and worth which are the essential qualifications of membership and which add strength, dignity and power to the Order. Doubtless mis-

takes have been made at times by Masonic lodges in not investigating sufficiently the character and qualifications of a candidate before he is received into the Order; and later, as he progresses in Masonry, similar mistakes have been made. It is needless to say that every effort should be made to avoid such mistakes. Otherwise the fundamental principles of the world's most ancient and renowned Order will be disregarded.

"To be a Mason in name only, means little, but if the principles of Masonry are imbedded in one's heart and practiced in actual life, it is a great thing for the Order and for the member. Therefore, every application for membership should be searchingly scrutinized and no man who fails to meet the highest requirements of Masonry should be admitted. It goes without saying that it is highly desirable to add constantly to the great body of Masonry, men who possess in the highest degree the essential qualifications of membership. In that way, the commanding influence of Masonry for good and for service to the world will be constantly extended."

"What, in your opinion, is the greatest service that Masonry can render to humanity?" was the next question.



**RAILROAD LABOR
AND THE
RAILROAD PROBLEM**

ADDRESS OF
HON. WILLIAM G. McADOO

*At the Fiftieth Anniversary of the
Brotherhood of Locomotive Fire-
men and Enginemmen, San Francisco*

December 2, 1923

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Abstract of Address
of
HON. W. G. McADOO
before
Joint Luncheon of
MEN'S and WOMEN'S DEMOCRATIC CLUBS
Los Angeles
December 12th, 1923



The Truth About McAdoo



Testimony Before the Senate Public
Lands Committee Regarding the
Employment of

HON. W. G. McADOO

as Attorney in Mexican
Affairs by E. L. Doheny

"It would be a crime against the public if the dragging of innocent people into this affair should divert attention from the guilty or prevent the discovery of those who have betrayed the public interest."

PRIVILEGE

VS.

JUST TAX REDUCTION

ADDRESS OF
HON. W. G. McADOO
OVER RADIO

JACKSON DAY, JANUARY 8, 1924

5 SEP 17
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Andrew Jackson is the most picturesque and absorbing figure in American history. His humble origin, his fight with poverty, his pioneering spirit, his military genius, his impetuous valor, his unaffected chivalry, his loyalty to friends, his implacability to foes, his detestation of graft and hypocrisy, his towering championship of the cause of the common people, his stirring defiance of the enemies of the Constitution, his thrilling challenge of predatory interests and privilege, his splendid battle with the financial monopoly represented by the second Bank of the United States, his magnificent patriotism, all these things endeared him to the people and give him a permanent and exalted place in the history of our country.

JACKSON IDOL OF COMMON PEOPLE

We are celebrating today the anniversary of Jackson's most notable military achievement—the battle of New Orleans. But Jackson was not alone a military hero. He was the idol of the common people. They turned to him to rescue the country from conditions which at that time seriously imperilled the future of democracy in America. For forty years control of government had been in the hands of the so-called "aristocracy of property and intellect." Government had come more and more to be an impersonal thing to the masses of the people—a remote thing, exercising its power in cold and bureaucratic fashion, without understanding of the adventurous and democratic spirit of young America, which was driving the pioneer further and further into the western wilderness and reducing to civilization great areas which were being erected into new states. They felt the need of closer contact with their government, and demanded a larger participation in its benefits.

The austerity of the Puritan and the aristocracy of the Cavalier no longer appealed to these pioneers. They demanded a genuinely democratic control and recognized in Jackson the incarnation of the cardinal virtues, the fighting quality, the decision of character, the swiftness of action and the leadership which would give them a just share in the direction of the government they owned.

Jackson was the first President of the United States to spring from the common people, just as he was the first to champion the cause of the common people. He believed in and understood them, as they believed in and understood him. He knew that no government could be truly democratic that was not administered in their interest. He was the first President of the United States to wage war on privilege and those conscienceless forces which, even in his time, had secured a firm hold upon the young Republic and were rapidly prostituting it to selfish ends.

DETHRONING PRIVILEGE

Under Jackson's administration privilege was dethroned and an unquestioned government of the people, for the people and by the people was established. With one powerful stroke he destroyed those who would nullify the Constitution and disrupt the Union, and with another he destroyed the citadel of privilege, the monopoly of credit then centered in the Bank of the United States. Jackson left a permanent impress upon the institutions of his country, and rendered transcendent service to future generations by demonstrating, in that early test, the vitality and strength of the young democracy.

It is little less than a century since Jackson was elected President of the United States. During the momentous period that has followed, the selfish influences destroyed in his time have reasserted themselves in new, more complex, more sinister and more highly organized forms than

GERMAN CHILD RELIEF

CHRISTIANITY IN ACTION

ADDRESS OF

HON. W. G. McADOO

BEFORE THE PACIFIC SOUTH-WEST THEOLOGICAL

CONFERENCE, FIRST CONGREGATIONAL CHURCH,

LOS ANGELES, CALIFORNIA.

FRIDAY EVENING, JANUARY 11TH, 1924

5 SEP 17

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The most tragic part of war, for the vanquished, is not death upon the battlefield, nor the suffering of the civil population, while the war is in progress, dreadful as earnings on the battlefield and suffering off the battlefield may be. The most tragic part of war for the vanquished is the long agony of liquidation of the war's cost in human suffering and material sacrifice after peace is restored. Not alone must the state care for multitudes of disabled men, who are a constant drain upon the national resources and whose loss of economic efficiency impairs their productivity and usefulness to society, but it is the destitution and want which afflicts women and little children, particularly with all the horrors of undernourishment and impaired vitality that profoundly affects the health, capacity, and well-being of future generations—inflicting wounds and injuries that costly may be required to repair. The helpless part of the population of Germany is suffering more from these causes than any other people in Europe. The pitiable plight of German children can appeal to every noble instinct and to every generous heart.

No Enmity Against German People

When peace was signed, our war with Germany ended, it left the paramount duty of Christians, regardless of race or country, to help restore good will, to heal wounds, to alleviate human suffering, and to save innocent babies from disease, permanent impaired vitality and death. We have no enmity against the German people. The war is over; let us have peace and friendship. I have no sympathy with those who harbor hatreds. I never hate anybody, first, because I think it is not Christian, and second, because hatreds cannot be nourished without constant use of energy, and I would rather expend the amount of energy required to keep a hatred alive in some benevolent service to humanity.

Great Cry of World Is for Peace

Nations should not nourish hatreds any more than individuals. Hatreds are progenitors of war, the cause of human suffering and the very antithesis of Christianity. The great cry of the world today is for the restoration of good will and peace.

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STATEMENT OF HON. W. G. McADOO

February 1, 1924

The dragging of my name into the investigation of oil leases at Washington is wholly without justification of any sort. In 1919, a year after leaving President Wilson's Cabinet, my former law firm in New York, McAdoo, Cotton & Franklin, was retained as counsel by Mr. Doheny's companies, and upon my removal to California in 1922 I was retained as special counsel here, such employment being entirely in connection with the Mexican affairs of Mr. Doheny's enterprises. I have never at any time been employed or consulted regarding any oil leases anywhere in the United States. When Mr. Doheny sought the services of McAdoo, Cotton & Franklin in New York in 1919 it was represented to us that under article 27 of the new Mexican constitution (against which our government had filed a protest on its adoption some years before) an attempt was being made to confiscate the valuable properties of Mr. Doheny's companies in Mexico. The members of my firm after consideration of the matter concluded that the case was meritorious. We accepted it, did all that we properly could for our client over a period of about two years and the firm received a fee of \$100,000 for the services, a sum commensurate with the very large interests involved. When I moved to California in March, 1922, Mr. Doheny said that his companies would be glad to retain me as special counsel to act in an advisory capacity here. I regarded the Doheny companies as the outstanding independent oil companies in the country and felt perfectly free to act as counsel for them. My counsel and advice has been confined to the Mexican problems with which these companies are constantly faced. For the period I have acted as special counsel here I have received an annual retainer of \$25,000 payable semi-annually. The employment of my former firm and myself by these companies has extended over the past four years.

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"Back to Honesty"

10 Points of Progress

99

1. To rid Washington of corruption and mercilessly punish all guilty of wrongdoing. To remove from office all incompetent political appointees.
2. To call a conference of all nations at Washington for the purpose of promoting peace. To submit results of the conference to a national referendum.
3. To take the grip of Wall Street off the Treasury Department and off the Federal Reserve System and "to have them operated in the interest of the people."
4. To repeal the Fordney-McCumber bill which "robs the common people for the benefit of privilege" and to substitute a tariff which will reduce living costs.
5. To settle the railroad problem so transportation shall be furnished at reduced freight and passenger rates and "to bring justice to rail labor and investors."
6. To do something instead of talking for the aid of prostrate agriculture. To promptly restore foreign markets for the surplus products of American farmers.
7. To enforce the Eighteenth amendment and to put the prohibition forces under civil service rules instead of making this service the spoil of corrupt politics.
8. To reduce internal revenue taxes to the lowest possible limit that is compatible with government honestly, efficiently and economically conducted.
9. To set up a labor code, establishing living wages and appropriate tribunals for maintaining peace. To establish child labor and minimum wage laws.
10. To clean out the Veterans' Bureau and to administer it honestly and efficiently. To do justice to the veterans of the World War by adjusted compensation.

ADDRESS of WM. G. McADOO
CHICAGO, MONDAY, FEBRUARY 18, 1924

To the Voters of Missouri

Statement of HON. W. G. McADOO

March 3, 1924

I have made it a rule of my life not to enter into personalities in the discussion of public issues. Grave problems confront the nation which cannot be discussed intelligently in an atmosphere of passion, nor solved by vindictive appeals to personalities or prejudice. I should like to lift the discussion of our national affairs to the high standard of rational and clearheaded seriousness set by the great Lincoln, who never debased an argument nor attempted to debase the judgment of the electorate. I must, however, let the American people know the nature of the attempts which are being made to confuse the real issues in the present campaign.

Senator Reed of Missouri stated recently as the reason for the vicious attacks which he is making upon me personally that:

"McAdoo publicly announced that he did not intend to enter the lists against any home candidate but for reasons which doubtless are satisfactory to himself, he has singled me out as an exception to his general rule. He is coming to the State of Missouri and is receiving some support. THESE CONDITIONS FORCED ME TO MAKE PERSONAL REFERENCES WHICH I WOULD HAVE ENTIRELY OMITTED HAD I BEEN EXTENDED BY McADOO THE SAME COURTESIES HE HAS EXTENDED TO OTHERS."



Here is a real patriot who resorts to the most glaring disregard for the truth in his personal attacks upon me because I would not stay out of Missouri. He criticizes me in a way which he "WOULD HAVE ENTIRELY OMITTED" if I had refused to give the men and women of Missouri an opportunity to express their honest convictions in the selection of delegates to the Democratic National Convention.

On January 24th last, Mr. Sam Fordyce, representing Senator Reed, called on one of my Washington friends and said that if I entered Missouri the Senator would contend against me especially in Georgia and California. I refused to submit to political blackmail.

I believe in the old-fashioned Democratic doctrine that the people have the right to select their own servants, even if that right runs counter to the personal ambitions of an alleged candidate for the Presidency.

My refusal to submit to such political blackmail was promptly followed by Reed's move on the floor of the Senate to compel the Committee on Public Lands, investigating the Republican oil scandal, to introduce into the record wholly immaterial and irrelevant testimony having nothing whatever to do with the scandal, for the sole purpose of dragging my name, without justification, into the oil inquiry. In this way he is co-operating with the Republican Party to divert attention from the graft and corruption involving members of the present Republican administration and is thereby giving aid and comfort to the enemies of the Democratic Party.

Who is this man who without regard to truth and justice attacks me for the furtherance of his own ambition?

He is the man who, because of his disloyalty to the Democratic Party, was in 1920 thrown out of the Democratic Convention of his own State of Missouri when he sought to be a delegate to the National Convention.

X 7 48
101

McAdoo's Program for Farm Relief

5 SEP 17
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1. To reopen foreign markets to our farmers so that they could dispose of their surplus products at the best obtainable prices.
2. To bring about railroad reform so as to reduce freight rates to a reasonable basis, enabling the farmer to get a higher price for his produce and reducing the cost of all materials and supplies which he must ship over the railroads to his farm.
3. To repeal the Fordney-McCumber Tariff bill; to substitute therefor a reasonable and fair tariff measure which will give the farmers fair play and the largest possible opportunity to dispose of their products at profitable prices and enable them and the people generally to buy their necessities at reasonable prices.

ADDRESS of WM. G. McADOO
Sioux Falls, South Dakota, March 20, 1924

Shall the People Rule in California?

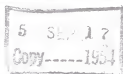
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ADDRESS OF

HON. W. G. McADOO

At Philharmonic Auditorium, Los Angeles, California
April 2, 1924



ADDRESS OF
WILLIAM G. McADOO

At the Memorial Services
Held in Honor of the Late

WILLIAM JENNINGS BRYAN

At the Hollywood Bowl
Los Angeles, California

SUNDAY, AUGUST 9, 1925



REPORT OF
Mayor's Advisory Committee

Consisting of
W. G. McADOO
NATHAN NEWBY
JOSEPH SCOTT

IN THE LOS ANGELES TERMINAL PROBLEM



Los Angeles, February 13, 1926

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STATES' RIGHTS
AND THE
JEFFERSONIAN IDEA

An Address delivered by

WILLIAM G. McADOO

at the

Convention of the Co-operative Club International

Des Moines, Iowa, May 25, 1926

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114

NULLIFICATION OR PRESERVATION?

SPEECH OF

WILLIAM G. McADOO

*Before the National Convention of the Women's Christian Temperance Union at Los Angeles, Sunday Evening,
September 26, 1926.*

The Eighteenth Amendment to the Constitution provides that "The manufacture, sale or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof, for beverage purposes, is hereby prohibited."

Prior to the adoption of this amendment, the states themselves had the sole right to determine whether or not intoxicating liquors should be sold within their borders. Many of them had adopted prohibition in one form or another. It was found, however, that the dry states could not protect themselves against their wet neighbors, from which shipments of intoxicating liquors were made in such quantities as to render nugatory, in large part, the laws of the dry states. A demand for uniformity and universality in prohibition law and administration, therefore, arose, resulting in the adoption of the Eighteenth Amendment, which made prohibition nationwide and conferred on the Federal Government the power to enforce it.

Eighteenth Amendment Supported by Public Opinion

The Eighteenth Amendment could never have been adopted unless public opinion had strongly supported it. A mere recital of the methods by which constitutional amendments are adopted demonstrates this fact. A resolution submitting the proposed amendment to the states must first be passed by a two-thirds vote of the Senate and House of Representatives; then the amendment must be ratified by three-fourths of all the states before it can be put into the Constitution.

This procedure was followed in the adoption of the Eighteenth Amendment, as well as in the adoption of every other amendment to the Constitution. In the present instance, it is significant that every state in the Union, except two, ratified the prohibition amendment; in other words, forty-six states were in favor of it, while only thirty-six were required for its adoption.

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Prohibition, Nullification, and Lawlessness

Address of

Hon. William Gibbs McAdoo

At Midwinter Meeting of the
Ohio State Bar Association, at
Toledo, Ohio, January 28, 1927

Presented in the Senate by

Hon. Lee S. Overman
of North Carolina

January 29, 1927



United States
Government Printing Office
Washington
1927

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M1

#108

PRIVATE RIGHTS AND PUBLIC AUTHORITY

AN ADDRESS DELIVERED AT
THE INSTITUTE OF PUBLIC AFFAIRS
UNIVERSITY OF VIRGINIA
AUGUST 18-20, 1927

By WM. G. McADOO

Reprinted from the Summer *Quarter* Bulletin of the University of Virginia,
Vol. 1, No. 8, October 1, 1927

5 17
1923

109

Prohibition Enforcement—The Evil and the Remedy

SPEECH

OF

HON. WILLIAM G. McADOO

AT A LAW-ENFORCEMENT MEETING AT RICHMOND, VA. UNDER
THE AUSPICES OF THE WOMAN'S CHRISTIAN TEMPERANCE
UNION, THE ANTI-SALOON LEAGUE, AND OTHER ORGANIZA-
TIONS

February 1, 1923

[Printed in CONGRESSIONAL RECORD, February 4, 1923]

Mr. SHEPPARD. Mr. President, I ask to have inserted in
the Record an address by William G. McAdoo at a law-enforce-
ment meeting at Richmond, Va., on February 1, 1923.

The PRESIDING OFFICER. Is there objection?

There being no objection, the address was ordered to be
printed in the Record, as follows:

The prohibition question to-day has become far wider and far
deeper than prohibition. There is, in fact, no prohibition ques-
tion in the sense that the policy of prohibition is in issue. The
people of this country have already settled that by putting into
the Constitution a provision prohibiting the "manufacture, sale,
or transportation of intoxicating liquors for beverage purposes
within the United States and all territory subject to its juris-
diction." The real issue, the fundamental issue, is: Shall the
Constitution and the laws of the United States be respected and
obeyed by the people and by the duly constituted officers of
every State in the Union? Or shall a State in its sovereign
capacity be permitted to disregard any part of the Constitution
of the United States which it elects not to obey?

HOW THE EIGHTEENTH AMENDMENT GOT INTO THE CONSTITUTION

Before I discuss the question it is important to review briefly
the history of the eighteenth amendment. For more than 50
years those who favored prohibition proceeded by lawful and
constitutional means to win public opinion to the adoption of the
policy they advocated. During those 50 years they were forced
to submit to the will of an adverse majority, which was not
yet ripe to follow their counsels. However unpalatable that
submission and however obnoxious the evil which they sought
to suppress, they resorted to no violation of law to secure
their ends. They were content with a campaign of educa-
tion and persuasion. By the slow but resistless enlightenment
of public opinion they finally reached their goal and the legal
steps which the Constitution prescribes for the adoption of an
amendment were duly and solemnly taken. How was this done?
First, by securing such overwhelming support of public opinion
that, by a two-thirds vote in each House in the Congress of the
United States, a resolution was adopted submitting to the 48
States the eighteenth amendment for their acceptance or rejection.

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The Southern Transcontinental Air Mail Route

A matter of immediate interest to Chambers of Commerce,
Merchants' Associations and Trade Organizations:

Southern Sky-Lines, Inc., and Southwest Air Fast Express, Inc., have recently submitted to the Postmaster General at Washington two proposals looking to the establishment of a rapid air mail service over the Southern Transcontinental route. Hearings are to be held in Washington, D. C., November 25, 1929.

The Southern transcontinental airway between New York and Los Angeles, touching the principal cities of the East, the Middle West, the South and the Pacific Coast, is an all-year-round route of the highest dependability in every form of air service and is being used at all times of the year by Army, Navy and commercial pilots. It is known as the low altitude route and its prevailing weather conditions offer the fewest hazards to flying.

Proposal dated October 21, 1929, as printed herein, contemplates an all-air-mail service under the existing five-cent rate at a contract price which will enable the Government to operate without a deficit in the transportation of transcontinental air mail and, at the same time, serve the interests of millions of people now excluded from the enjoyment of the economic and other advantages of modern fast mail delivery.

Proposal dated October 15, 1929, also printed herein, offers aircraft facilities for the transportation of "first-class mail other than air mail" as contemplated in the Air Mail Act of 1926 but as yet untried by the Post Office Department. While the advantages offered by the employment of air transport for first class mail other than air mail are obvious, and undoubtedly a development of the near future, the Government may not now be ready to operate airway mail under the two-cent postage rate.

Air mail with five-cent postage would be self-sustaining under equitable contracts and the proposals of Southern Sky-Lines, Inc., and Southwest Air Fast Express, Inc., have been made with the definite purpose of demonstrating this and of supplementing air mail transportation with fast passenger service for your community. We ask your due consideration and support of the proposals as submitted and such action as you may deem appropriate to secure to your community the great benefits which will result from the establishment of the proposed service.

Will you kindly advise us promptly what, if any action, you may take in the premises?

Very truly yours,

W. G. McADOO,
Los Angeles, Calif.

ERLE P. HALLIBURTON,
Tulsa, Oklahoma.

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DISARMAMENT

...BY...

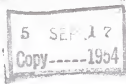
William Gibbs McAdoo

Secretary of the Treasury During the
Wilson Administration.



An Address Delivered at Dallas, Texas,
Under Auspices of the Young Men's
Christian Association of Southern
Methodist University.

December 15, 1931.



746

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#112

Wheat and Cotton

Address of

Hon. W. G. McAdoo

Former Secretary of the Treasury

**Before the Salesmanship Club
of Houston, Texas**

March 19, 1932

[Printed in CONGRESSIONAL RECORD March 21, 1932]

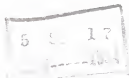


(Not printed at Government expense)



United States
Government Printing Office
Washington : 1932

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114

Wheat and Cotton

Address of
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(Not printed at Government expense)



United States
Government Printing Office
Washington : 1932

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JOHN N. GARNER

How California Can Make Garner President

BY

William Gibbs McAdoo

The following pages contain the text of a radio address over stations K. F. I., Los Angeles, and K. G. O., San Francisco, April 11, 1932, by William Gibbs McAdoo former Secretary of the Treasury and Director General of Railroads.

*Speech of William G. McAdoo,
Senator-elect from California, at
the Meeting of the Democratic
Electors at Sacramento, Calif.,
January 4, 1933.*

Our duty today is little more than a formality; and because it is a formality it ought to be dispensed with. The Electoral College should be abolished and the voice of the people, expressed by popular vote, should name the President and Vice-President of the United States. When this is brought about, the possibilities of corruption in presidential elections will be diminished, if not destroyed, and the huge cost of conducting our presidential campaigns through private subscriptions, inspired too frequently by selfish purpose, will be ended.

This particular gathering, however, possesses more than the usual significance, for it was California's delegation that nominated Franklin D. Roosevelt. This action was not even remotely connected with trades or secret agreements, but proceeded slowly from our sincere conviction that Roosevelt had in his heart and in his soul those progressive principles—the passion for real democracy—that are believed to be the need and the hope of the nation.

This was a time when more was demanded of a presidential candidate than high abilities, intellectual attainments, or even administrative gifts. As never before in the history of the republic, the call was for a man with burning faith in equal justice and the courage and the will to fight the forces of

From THE COLUMBIA BROADCASTING SYSTEM
8th Floor, Earle Building, Washington, D. C.
Metropolitan 3200

12/30/36



For Release Wednesday, December 30 at 10:45 P. M.

SENATOR McADOO BROADCASTS "AN UNCONVENTIONAL TALK" OVER COLUMBIA NETWORK

(Following is a copy of an address by Senator William G. McAdoo, Democrat, of California, over the Columbia Broadcasting System Wednesday, December 30, at 10:30 P. M. Senator McAdoo's topic was "An Unconventional Talk". He was the first United States official to speak from Washington to KHX in Hollywood and KSFO, in San Francisco, the Columbia network's new Pacific Coast stations. Senator McAdoo spoke from the Mayflower Hotel through the facilities of WJSV, Columbia's station for the nation's capital.)

---oOo---

My friend, Jim Farley, has been awarded justly the prize for being the greatest political prophet in the country. He predicted that Landon would win only two states - Maine and Vermont. And he did. But I must lay claim to being something of a prophet myself because I said that California would give Roosevelt the greatest majority of any state in the union. And California did exactly that.

The Clerk of the House of Representatives at Washington has just issued an official statement of the vote cast November 3, 1936. It shows that California gave President Roosevelt a plurality over Landon of 930,405 votes; New York gave Roosevelt a plurality over Landon of 837,628 votes, or 92,777 less than California.

But let us consider majorities, by which I mean majorities over all other candidates: California gave the President a majority over all (Republican, Socialist, Communist, Prohibitionist and scattering) of 894,790, whereas New York gave the President a majority over all (Republican, American Labor, Socialist and Communist) of 420,198. California's majority in favor of the President exceeded that of New York by 474,592.

I congratulate the people of California on this magnificent triumph of progressive democracy and on this wonderful tribute to our great President. California is now first in rank of the democratic states of the union.

The New Year opens, I think, with unusual promise. The monumental majority given to President Roosevelt is an unequivocal endorsement by the people of his policies and also of the conduct of the government by the Democratic Party. Manifestly, the economic and social reforms already initiated by the President must be perfected and firmly established as an essential part of our democratic system of government.

The magnitude of the victory brings with it a grave responsibility and that is to use it with wisdom, moderation and justice. This can be done without impeding progress and without interfering with the essential reforms of which I speak. I am sure that the President and the leaders of the Democratic party realize that they

CONGRESSIONAL RECORD

REFORM OF FEDERAL JUDICIARY

RADIO ADDRESS

BY

HON. WILLIAM G. MCADOO
OF CALIFORNIA

On February 16, 1937

(Printed in the CONGRESSIONAL RECORD of Feb. 17, 1937)

Ladies and gentlemen, I want to talk to you tonight not as a lawyer but as a layman, and to give you, in untechnical language and with such clarity of expression as I am able to command, an outline of the issue raised by the President's proposal for judicial reform in the United States.

To do this we must know the constitutional background, the character of the judicial organization we now have, and the extent to which the President proposes an enlargement and reform of our judicial structure.

First of all let us turn to section 1, article III, of the Constitution of the United States. This provides:

"1. The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

"2. The judges both of the Supreme and inferior courts shall hold their offices during good behavior and shall receive for their services a compensation which shall not be diminished during their continuance in office."

This is clear enough to the most ordinary mind. Everyone understands that the entire "judicial power of the United States" is not vested in a single Supreme Court all by itself. It is specially vested in one Supreme Court and in "such inferior courts as the Congress may from time to time ordain and establish."

In pursuance of this power the Congress has established 10 circuit courts of appeal and 85 district courts in the various States.

What we are talking about, therefore, is the President's proposal for an increase of 6 in the membership of the Supreme Court and an increase of 80 judges for the district courts of the United States. He suggests also certain reforms in judicial procedure, the details of which I need not discuss in this speech. You will, therefore, see that, in the judicial reforms the President has in mind, the Supreme Court is merely one of the courts of the organization of all the Federal courts, to enable them to give to the people speedy and equal justice.

The first question I wish to discuss is the proposed increase of members of the Supreme Court. Who has the power to increase the number of Justices? The President has no such authority. Congress alone has the power; but it is the duty of the President, expressly provided in the Constitution itself, to recommend to the consideration of Congress such measures as he shall judge necessary and expedient. From this it can be seen that in proposing an increase in the number of Justices of the Supreme Court he has simply performed his constitutional duty; and it can also be seen that it is a question of policy, of which the Congress is the sole judge, as to whether or not the President's recommendations shall be adopted.

I have already stated that the Congress has established 10 circuit courts of appeal and 85 district courts of the United States. We have 44 judges of the circuit courts of appeal and 187 judges of the United States district courts, making 261 judges of what we call the inferior Federal courts. Over these courts the Congress has complete jurisdiction. The laws which govern them are enacted by the Congress of the United States. The salaries of all judges—those of the Supreme Court and of the inferior courts—are fixed by the Congress.

One thing Congress cannot do is to fix the tenure or term of the judges, because the Constitution itself provides that all judges of the United States courts shall hold their offices during good behavior.

This means, in actual practice, that judges hold their offices for life. They are not subject to removal from office during good behavior. There has always been grave doubt as to the wisdom of the constitutional provision which enables judges to stay in office for life. Perhaps upon referendum to the people, an overwhelming majority would vote to limit the term of Federal judges of all kinds to 10 years, more or less; but that is not pertinent to my argument.

I claim that a high duty is imposed upon the Congress by the Constitution to provide a sufficient number of judges to enable litigants in the United States courts to get prompt justice. It cannot be contended successfully that we have an adequate judicial system now. It should be our chief concern to secure to the people who are forced to go into the courts for the protection of their rights the benefits of a judicial system which will assure expeditious decision of their cases and at the lowest possible expense to them.

We have always boasted that the humblest citizen shall have protection of the laws and we frequently repeat the maxim—a false one, in my opinion—that "for every wrong there is a remedy." It may be said that we have a remedy in accordance with the citizen who finds it necessary to take his case into the courts than

to deprive him of justice by long and unnecessary delays, occasioned either by congested courts or by the technical tactics of clever lawyers, or by judges who have become incompetent and dull-witted, who sit for life, and are not accountable to any authority.

Every officer and employee of the United States Government, with the exception of the life-holding judges, is subject to removal by the people in elections held at stated intervals or to dismissal through the Executive power of removal. But the judges cannot be reached except through impeachment proceedings brought by the entire House of Representatives and tried by the entire Senate, sitting as a court, where a two-thirds vote is required to convict. In the 148 years of our national existence only four judges have been removed by impeachment.

We do not establish courts to give offices for life to judges, nor do we establish them for the benefit of lawyers. The judges and lawyers are mere instrumentalities through which justice for the litigant is supposed to be obtained, according to the form and letter of the law. We establish courts to secure justice for the people, and to the people who must be satisfied with the scheme of organization or in any measures which may be adopted within the limits of the Constitution to provide them with the means of securing justice.

Do you realize what frightful injustices and suffering are occasioned every day in the United States by the law's delays? Let me illustrate by a few supposititious cases:

The man with a broken back sues the corporation for damages for this injury received in the line of duty; the widow sues for damages for the death of her husband. In each of these cases, the man with the broken back and the woman widowed by the death of her husband, have little children dependent on them. Their only hope and salvation is the amount of damages they may be awarded by the courts. But the lawyer's delays thwart them. Agonized in heart, they struggle along with undernourished bodies and undernourished children in the hours each day that a judgment may be rendered in their favor. Year after year the amount of the damages they finally win, perhaps death has overtaken some of the children or the parents themselves. What is to compensate for these cruel and irreparable wrongs?

The man who sues the Government a refund of taxes unjustly imposed. His solvency may depend upon a prompt decision. He may lose everything before judgment can be obtained. He may find himself, by the time the case is decided, unable to swell it. Budget, finds years between the filing of the first pleadings and the disposition of the case.

The man who sues for the wrongs and injustices occasioned by the law's delays are unjustifiable if not irreparable. It is the high duty of the Congress to provide an adequate judicial organization to prevent these wrongs. There is no truer statement than that "justice delayed is justice denied."

You will see from what I have said that Congress and the Executive are powerless to reduce the life tenure of judges. They cannot provide for a compulsory retirement for age or for any other cause. All that the Congress can do is to offer to the judges the opportunity of retirement after they have reached a certain age with full pay for the remainder of their lives. Already this retirement provision applies to the judges of the circuit courts of appeals and to the district judges, but it does not apply to the Supreme Court. Under the President's plan, retirement at full pay is offered also to members of the Supreme Court. When a judge retires on full pay he does not give up his job. He is what we may call "a member of the judicial reserve." He is on the inactive list, but he is subject to call at any time for the performance of any duty of which he is capable when an additional judge or judges are needed.

It seems to me that this provision for retirement of judges on full pay for life is wise and generous.

Under the President's plan none of the Justices of the Supreme Court will retire except upon his own volition. The six additional justices, whom the President will appoint, will result in an increase in the Court from 9 to 15 members. Is this an unreasonable or unjustified increase?

If it were not for the fact that political questions are inseparably involved in the legislation enacted and to be enacted by the Congress in carrying out the policy of the President, I think, on one, upon the merits of the case, could successfully contend that such a reasonable increase in the number of judges of the highest court is fully justified by present conditions and inevitable necessities. But because of the so-called New Deal legislation, the constitutionality of some of which the Supreme Court may be called upon to pass, it is contended that the President's attempt to "pack" the Court for the purpose of securing decisions favorable to his views or to his economic and political philosophy.

I dismiss this suggestion as unworthy of consideration because it impugns the honor and integrity of the Chief Executive of the United States and of the men he may appoint to office if this plan becomes law.

But we conceive that he is guilty of such an unworthy motive, let us, as rational people, calmly consider whether or not he could carry out such a fell purpose. Can you believe that the President would believe that, if the President should appoint six additional judges to the Supreme Court, he would require of them a promise that they would decide any question of constitutionality which came before them in accordance with the President's wishes? The President is a man of honor. He would not attempt to im-

SEVENTY-FIFTH CONGRESS, FIRST SESSION

SEVENTY-FIFTH CONGRESS, FIRST SESSION

Reorganization of Federal Judiciary

RADIO ADDRESS

BY

HON. WILLIAM GIBBS MCADOO

OF CALIFORNIA

March 5, 1937

(Printed in CONGRESSIONAL RECORD of Mar. 8, 1937)

MR. ASHURST, Mr. President, I ask unanimous consent to have printed in the RECORD an address, entitled "The President is Right", relating to the proposed reorganization of the Federal Judiciary, delivered by the distinguished junior Senator from California [Mr. McAdoo] over the Columbia Broadcasting System on March 5, 1937.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen, a good many things have happened since February 18, when I last spoke to you over the radio, concerning the President's proposal for judicial reform. The attack of his opponents has centered upon that part of the program which deals with the Supreme Court. We hear little, if any, condemnation of that part which proposes to increase the efficiency of and to eliminate the law's delays in the district courts and in the Federal courts of appeal of the United States. Everyone seems to believe in reforming the lower courts. We may, therefore, take it for granted that this part of the President's proposed measure will encounter little, if any, opposition. But if the lower courts are so organized that they can dispose of a greater volume of litigation, how can the Supreme Court take care of the increase unless it is enlarged?

It is obvious that the opposition has selected for attack the President's plan to enlarge the Supreme Court as the most vulnerable part of his program. This is done because for the last half century the people have been sedulously educated to view the Supreme Court as a sacred institution—above criticism and beyond question. This myth is not justified either by the position of the Court in our democratic system or by any proper conception of its essential relation to a democratic form of government.

As a citizen as well as a lawyer, I have profound respect for this great Court, but I do not worship it or consider it immune from criticism any more than I consider the President of the United States and the Members of Congress, or any other public officials, immune from criticism under our system of Government. Criticism, fair and unfair, is a healthful influence in a democracy. Its wholesome and unwholesome breezes must reach every nook and crevice of public life. To stop that would deprive the people of one of the greatest safeguards of liberty. That is the reason that the first amendment to the Constitution provided for freedom of religious worship, freedom of speech, and the right of peaceable assembly.

I do not mean to say that the Supreme Court's decisions should be wholly responsive to public opinion, but, considering the words of our great Chief Justice, Mr. Hughes, speaking at Elmira, N. Y., May 3, 1907, "We are under a Constitution, but the Constitution is what the judges say it is", it is clear that the Supreme Court should not arbitrarily ignore the trends of progress and the fundamental economic and social changes which inevitably occur in the life of a great people. It is the duty of that Court, in its interpretations of the Constitution, since it has asserted the power to make it mean "what the judges say it is," to shape that instrument from time to time with some regard to the commands of the people.

At this point, we must not forget that the supreme power in a democracy is the people. They alone can remake or unmake the Constitution. That power does not reside in the Supreme Court.

The Supreme Court, as now constituted, has on its some members who seem to be in touch with the great currents of public opinion and whose interpretations of the Constitution reflect the articulate and inarticulate craving of the American people for those essential economic and social reforms which will give them a better life within theegis of constitutional government. It is a fact, and we need not blink it, that one can foretell almost to a certainty what the Supreme Court will decide on any of the constitutional questions which may be submitted to it for

adjudication. We, therefore, have the frequent spectacle of decisions by five members of the Court against the dissenting opinions of four. And usually this majority of the Court gives such a technical construction of the Constitution that the great ends which the people seek for their welfare and advancement are defeated. The effect is to confer upon a single justice, who may hold the balance of power, the right to make the Constitution mean what he says it means. The insistent demand of 27,000,000 voters—a vast majority of the voting population of the United States, is thwarted, nullified, in effect, by a single Justice of the Supreme Court.

Is this a healthy situation in a democratic form of government? I do not concede that a member of the Supreme Court, or any single individual, has the infallible judgment or the right to determine what the progress of a great people may be, or what shall be their ultimate destiny under our constitutional form of government. That would be judicial, not political, dictatorship. The people of the United States, in the last Presidential election, sent to Washington an overwhelming majority in the Senate and in the House of Representatives, with a positive mandate to support President Roosevelt in the great measures which he has championed during the past 4 years. These were discussed fully with the people in the last campaign. One member of the Supreme Court, holding the balance of power between the two wings, can not only destroy this mandate, but can make it impossible for the will of the people to be executed.

In our scheme of government, let us consider for a moment whether the Supreme Court occupies a coordinate position with or a superior position to that of the legislative and executive branches of the Government. I turn to the Constitution of the United States:

Article I, section 1, vests all legislative powers in a Congress, to consist of a Senate and a House of Representatives.

Article II, section 1, vests the executive power in a President of the United States.

Article III, section 1, vests the judicial power in the Supreme and in such inferior courts as the Congress may from time to time ordain and establish.

It is interesting to note that these three branches of the Government are named in the order of their importance, in the Constitution itself.

The legislative branch comes first. Why? Because it makes the laws of the land, and its Representatives in Congress come fresh from the people every 2 years for the entire House of Representatives and for one-third of the Senate. Because they represent the people direct, they are responsible to, and should be responsive to, the popular will—the supreme power in our democracy.

The executive branch comes second, because the President is empowered to execute the laws enacted by the Congress.

The Supreme Court comes third. Unlike the Congress, it does not spring direct from the people. Its Justices are appointed for life by the President, and before they can take office, they must be confirmed by the Senate. They are not subject to popular selection. The power of the Supreme Court is limited. The Congress can, in large part, determine its jurisdiction and procedure. It has sole power to fix the salaries of the Justices, to provide for their retirement, and to make appropriations for the maintenance of the Court. Thus it cannot be said that the Supreme Court is, in the same sense as the Congress and the President, a co-ordinate branch of the Government. The Supreme Court is merely the interpretative and judicial branch of the Government. Within that field it is supreme.

For many years a myth has been sedulously created that the Supreme Court is invested with a certain degree of sanctity which no citizen can question without being charged with a lack of reverence. So long as that myth persists we cannot view the Supreme Court in its proper perspective. We should dispel it, and we may do so without disrespect to that great tribunal.

Much has been said by the opposition about the power which the Court would have, if enlarged as suggested by the President, to make decisions which would undermine or destroy the Constitution and the hard-won liberties of the people—especially religious freedom. Let us examine that.

Amendment 1 to the Constitution provides that "the Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances." Amendment 14 provides: "No State shall, in time of peace be quartered in any house, without the consent of the owner."

(Not printed at Government expense)

SIT-DOWN STRIKES

SPEECH

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

April 7, 1937

Mr. McADOO. Mr. President, I should like briefly to submit to the Senate some observations on this concurrent resolution.

While I construe the pending resolution as merely declaratory, nevertheless it may prove helpful in quickening in the American consciousness the pregnant fact that "obedience to law is liberty", and that without it the constitutional guaranty of the sacred right of "life, liberty, and property" is but an empty phrase. Without life, liberty is worthless; without liberty, life is unendurable; but even life and liberty cannot be realized in full measure unless every citizen is permitted to enjoy the fruits of his labor or efforts; unless he is made secure in the possession of his lawfully acquired property.

It is for these reasons that the Constitution of the United States, in the fifth amendment, provides:

No person shall be * * * deprived of life, liberty, or property without due process of law.

And in the fourteenth amendment that—

No State shall * * * deprive any person of life, liberty, or property without due process of law.

And again in the fifth amendment:

Nor shall private property be taken for public use without just compensation.

The fundamental law of the land, the Constitution itself, prohibits the Government of the United States and the government of every State from taking the property—to say nothing of life and liberty—of the citizen "without due process of law." It is because the sit-down strike violates the fundamental law of the land by taking property without due process of law that I cannot endorse it without disregarding my oath of office and my conscientious conviction that the mistaken policy and illegality of the sit-down

Congressional Record

SEVENTY-FIFTH CONGRESS, FIRST SESSION

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 22, 1937

LETTER FROM HON. WILLIAM GIBBS McADOO, OF CALIFORNIA, TO DR. RODNEY A. YOELL, OF SAN FRANCISCO.

Mr. McADOO. Mr. President, I ask unanimous consent to have printed in the Appendix of the Record a copy of a letter which I addressed to one of my highly esteemed constituents of San Francisco, Dr. Rodney A. Yoell, relative to the measure now pending before the Senate providing for reorganization of the Federal Judiciary.

There being no objection, the letter was ordered to be printed in the Record, as follows:

MARCH 30, 1937.

DR. RODNEY A. YOELL,
Medico-Dental Building, 400 Post Street,
San Francisco, Calif.

DEAR RODNEY: I have your letter of the 12th instant and have read it with much interest. I know that you were skillful with the scalpel and that you could dissect, with rare ability, the human anatomy; but I had never pictured you in the role of a dissector of our constitutional anatomy and interpreter of our statute laws.

Of course, I am delighted to have your views in extenso any time you feel like favoring me with them, and I shall answer to the full extent that my time will permit. It would require a speech to discuss the numerous cases you cite in your letter, but as I view the matter, this is immaterial to the fundamental points involved.

I have no quarrel to find with your portrayal of the historical background of the Constitutional Convention of 1787 and the results of its labors. Our chief point of difference consists in the fact that we differ in our understanding of the question raised by the President's proposal for judicial reform.

Among other things, you seem to proceed on the assumption that it is the Supreme Court as an institution and the doctrine of judicial review itself which are under attack. This is not the case. I share your devotion to the Court as an institution and your belief in the doctrine of judicial review. The President's proposal rests upon a similar devotion to the Court as an institution and a similar appreciation of judicial review in our American system.

We seem to differ in this: I believe that the Court as an institution and the doctrine of judicial review are in danger from a handful of individual judges who, unwittingly and unintentionally, have failed to practice that essential judicial restraint which should control them in dealing with constitutional questions, and have permitted themselves to elevate their personal opinions of economic and social policy above the Constitution. It is rather difficult to make this point clear without seeming to impute bad faith to certain of the Justices, but I know you will acquit me of any such purpose.

The central question which the Nation faces today may be stated in these terms: What are we to do when a bare majority of Justices—unwittingly and unintentionally, as I have already said, as I do not impute improper motives—exceed their lawful authority under the Constitution, and in doing so, push the Court into dangerous waters, where the Constitution never intended it to be, where it does not belong, and where it is not competent to function. Like you, I deplore the present crisis. But I believe that the primary responsibility for it rests squarely upon these individual Justices.

This can be abundantly substantiated out of the mouths of the very judges who have taken this course. Never has this been brought out more vividly than in the majority opinion in the case of *Lochner v. New York*, decided in 1904—the first case in

which the Court invalidated labor legislation and which was decided upon an economic theory, as stated by Associate Justice Oliver Wendell Holmes in his dissenting opinion.

In that case, a law of the State of New York, which prescribed a maximum 10-hour day, and 70-hour week, in bakeries, was declared unconstitutional by a 5-4 vote. Those who dissented were among the strongest legal minds on the Court, for instance, Associate Justices John M. Harlan, Edward D. White (since deceased) and Chief Justice of the Court, Oliver Wendell Holmes, and William R. Day.

Speaking for the majority, Mr. Justice Peckham said: "In every case that comes before this Court, therefore, where legislation of this character is concerned, and where the protection of the Federal Constitution is sought, the question necessarily arises: Is this a fair, reasonable, and appropriate exercise of the police power of the State, or is it an unreasonable, unnecessary, and arbitrary interference with the right of the individual?"

Thus Mr. Justice Peckham and his four colleagues departed from the well-established rule for statutory interpretation, namely, that "a legislative enactment, Federal or State, is never to be disregarded or held invalid unless it be, beyond question, plainly and palpably in excess of legislative power." (See dissenting opinion in *Lochner v. N. Y.*, 198 U. S. p. 88.) Various cases are there cited in support of this rule. Mr. Justice Peckham and his four colleagues assumed an unfettered discretion to pass upon the broadest questions of economic and social policy. I must add that only a few years prior to this decision the Supreme Court had sustained a law of the State of Utah prescribing an 8-hour day in mines. Although the four dissenting Justices (Harlan, White, Day, and Holmes) threw this decision into the face of the majority, the latter contrived to find some fundamental constitutional distinction between the two laws. In short, they assumed a discretion that was limited neither by the language of the Constitution nor by their own precedents. Nor was it limited by the views of the four dissenting brethren. Nor was their discretion limited by any sense of responsibility to the voters at the polls. These majority Justices had assumed an arbitrary power to determine the course of this Nation's economic and social destiny. I use the words "arbitrary power" advisedly. This power may or may not be exercised arbitrarily in particular cases. But, however it may be exercised, it will remain in its nature arbitrary. No wonder Mr. Justice Harlan, dissenting in the *Lochner* case, warned the majority that they were "abandoning the sphere assigned to it (the Court) by the fundamental law" and that they were causing the Court to "enter the domain of legislation."

This remarkable decision must be considered against the background of our history. In 1787, during the Constitutional Convention, James Wilson, a delegate from Pennsylvania, twice proposed that the Supreme Court be given the power to revise laws passed by the Congress, which, to use his words, as reported in Madison's Journal, "may be unjust, may be unwise, may be dangerous, may be destructive, and yet may not be so unconstitutional as to justify the Judges in refusing to give effect to them."

This proposal was twice rejected by the Constitutional Convention. Now I want you particularly to notice James Wilson's words. He wanted the Court to have power to invalidate laws, and he said that laws "may be unjust, may be unwise, may be dangerous, may be destructive." You will be struck by the fact that these words are amazingly similar to the very words which Mr. Justice Peckham used in describing his standard of decision over a hundred years later. Thus Mr. Justice Peckham and his four colleagues wrote into the Constitution the very power which the Constitutional Convention specifically denied the Court.

The Justices who happen to be members of the Court at any particular time do not own the Court. They hold their places on the Court in trust for the people of the United States and in trust for the Court itself as an institution. To my mind the most tragic aspect of the present crisis is that the majority of the Court, rigidly bound, apparently, in the fixed and unchangeable tradition of generation, by exceeding their lawful authority under the Constitution, have tended to impair the stature and dignity of the Court among the very large and representative cross-section of our people.

What is to be done in such a case?

Every proposed amendment that I have seen would have the effect of limiting the scope of the Court's authority as in effect restricting the doctrine of judicial review in one way or another. In effect, therefore, such amendments would punish the Court as an institution for the earlier misdeeds of the individual Justices. The President's proposal would do just the reverse. It would protect the Court as an institution and the doctrine of judicial review against those judges who have unconsciously permitted

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SEVENTY-FIFTH CONGRESS, FIRST SESSION

Reorganization of Federal Judiciary

EXTENSION OF REMARKS

HON. WILLIAM GIBBS McADOO
OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

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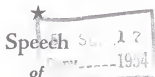
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"Future of Aviation" #122



William Gibbs McAdoo
United States Senator From California



Arranged by
THE WASHINGTON STAR



Hon. William Gibbs McAdoo



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Monday Night, May 24, 1937

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**The Evening Star
The Sunday Star**
WASHINGTON, D. C.

PRESERVATION OF OUR INTERCOASTAL
TRAFFIC

SPEECH

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

February 23, 1938

Mr. McADOO. Mr. President, I desire to occupy the time of the Senate for a brief period to bring to its attention a serious situation which is facing my State of California. In order to make my remarks as brief as possible, I shall ask the clerk to read a letter which I addressed to the Chairman of the Maritime Commission on the 15th of February, and then to read a copy of the reply of Hon. Joseph P. Kennedy, Chairman of the Maritime Commission, dated February 18, 1938. I should like to have these letters read sufficiently slowly so that my colleagues may comprehend them.

The PRESIDING OFFICER. Without objection, the clerk will read.

The legislative clerk read as follows:

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
February 15, 1938.

HON. JOSEPH P. KENNEDY,
Chairman, United States Maritime Commission,
Washington, D. C.

DEAR MR. CHAIRMAN: I have received from Hon. Angelo J. Rossi, Mayor of San Francisco, the following telegram:

"I am surprised and alarmed in reading Washington press articles stating Maritime Commission is about to purchase Panama Pacific Lines and remove them from their present service to California and place them in the Atlantic coast-South American trade. After the removal of the Grace Lines and other important shipping companies from San Francisco an act of this kind on the part of the Maritime Commission in face of representations and efforts made by the entire Pacific coast and the policy of the President of the United States for adequate naval preparedness on the Pacific coming at a time when remedial legislation is pending in Congress, is an absolute disregard of any important part of the country by a body supposed to give us their representation and treatment. Will you please make the necessary representations Monday morning to the Commission and secure their agreement not to take such action pending outcome of your proposed legislation. I would greatly appreciate your advice on the result of your conference; also the status of proposed legislation. Kindest regards."

This was communicated to your office by telephone. In your absence, Executive Director Sheehan advised my secretary as follows:

"Plans for Maritime Commission purchase of these ships one of several now under consideration. Nature of circumstances existing in east coast-South American trade today such that imperative that it be rehabilitated at once or grave consequences will result. Therefore, Maritime Commission faced with the necessity of building up this service immediately. Present owners Panama Pacific ships intend removing them from present intercoastal service on April 1 because of legal inability to obtain subsidies which is resulting in heavy financial losses and they have a legal right to do this."

The purchase by the Commission and removal of these ships to the east coast-South American trade will result in grave injury to the interests of the people of the Pacific slope, California, Oregon, and Washington as well as Nevada, Arizona, Idaho, and other States in the western Rocky Mountain area.

I am at a loss to understand the nature of circumstances existing in the east coast-South American trade today which is so imperative that it be rehabilitated at once or grave consequences will result."

This matter is so important that I shall be greatly obliged if you will advise me at once of the nature of the circumstances referred to and of the grave consequences which will result unless the ships now serving California and the Pacific coast are withdrawn from that service and employed in the east coast-South American trade.

I sincerely hope that the Commission will not execute its purpose to take the Panama-Pacific ships away from the Pacific coast trade. I have introduced a bill, which is now in the Commerce Committee of the Senate, authorizing subsidies for intercoastal ships which are suitable for naval reserves and which have a speed

of 16½ knots per hour. Until the Congress can act on this measure, I earnestly protest against the removal of the Panama Pacific liners from our intercoastal trade.

Cordially yours,

WILLIAM G. McADOO.

UNITED STATES MARITIME COMMISSION,
Washington, February 18, 1938.

HON. WILLIAM GIBBS McADOO,

United States Senator, Washington, D. C.

MY DEAR SENATOR McADOO: I have carefully considered your letter of February 15, in which you quote from a telegram directed to you by Mayor Rossi, of San Francisco, and the reply which you have received from Mr. Sheehan.

Mayor Rossi's telegram apparently is based upon the theory that the Commission is about to remove the *California*, *Virginia*, and *Pennsylvania* all from their present service. This is erroneous. The American Line Steamship Corporation has advised you as well as the Commission that on account of enormous losses suffered in operating these vessels in the intercoastal service between New York and San Francisco they are obliged to withdraw them from that service upon their arrival in New York between March 27 and April 15. In other words, the ships are not being removed from their present service by the Commission but by their owner, the American Line Steamship Corporation.

As you know there is nothing in the law which authorizes or permits the Commission to assist in maintaining these vessels in their present service. There has never been any misunderstanding about that between any of us, I am sure. With respect to the possibility that these ships may be placed in service to the east coast of South America, it strikes me that the west coast is not affected by final disposition of the ships once they have been removed from their present service. It is clear, however, that nothing has been forced to take the ships from their present run because of financial losses the American Line Steamship Corporation is faced with the following alternatives:

1. Turn the ships over to United States Lines for trans-Atlantic operation, for which they are only reasonably well suited.
2. Run them in the service to the east coast of South America, which is, in fact, the only service in which they can be placed.
3. Sell them abroad.

4. To them up and let them rot.

Of course, regardless of which alternative is adopted the ships will not be running in the intercoastal service. The Commission has considered all possible alternatives has found that it is most desirable for the vessels to be placed in service to the east coast of South America. However, the Commission is unwilling to permit the United States Lines Co., in its present financial condition, to operate the South American service under its present capital structure for fear that operating costs and possible losses might seriously affect the operation of the trans-Atlantic line. Therefore, we have considered the question of acquiring these ships at a fair price to the Government, thereby settling the claims of the American Line Steamship Corporation against the Government for termination of its foreign coast-mail contract.

Although it may be a matter of regret to all of us that the Commission cannot acquire these ships and operate them in the intercoastal trade, nevertheless, as we are without authority to do this, and inasmuch as the present service to South America is wholly inadequate, we feel that our duty demands that we try to build up the South American service, which affects a most valuable trade area, by utilizing these ships when they are removed from the intercoastal service and become available for that purpose.

I hope that I have made the position of the Commission clear.

With warmest regards, I am,

Yours most sincerely,

JOSEPH P. KENNEDY.

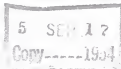
Mr. McADOO. Mr. President, the letter of the Chairman of the Maritime Commission discloses an extraordinary situation for the people of the west coast; and it is due not so much to economic considerations as it is to the state of our laws since we passed the Maritime Act.

I call to the attention of the Senate the fact that prior to the enactment of the Maritime Act we had two intercoastal services between New York and the leading ports of the Pacific coast, one operated by the Grace Line and the other by the Panama-Pacific Line. Each operated three ships, or six in all. These are fast ships, making 16½ knots or more, and so constructed as to be suitable for Naval Reserve ships in time of need.

Prior to the enactment of the Maritime Act these ships operated on what was commonly known as a mail subsidy, and that subsidy was in large part essential to enable the owners to operate the ships without a loss, or, in any event, at a minimum loss. At the same time, these ships were forced to pay, as they went through the Panama Canal, tolls which

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(Not printed at Government expense)

THE LAWYER IN A FREE GOVERNMENT

ADDRESS

OF

HON. WILLIAM GIBBS MCADOO

OF CALIFORNIA

February 26, 1938

(Printed in CONGRESSIONAL RECORD of March 1, 1938)

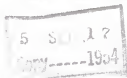
Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the junior Senator from California [Mr. McAdoo] before the Federal Bar Association, Washington, D. C., on February 26, 1938, on the subject The Government Lawyer.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, ladies, and gentlemen, I am delighted to have this opportunity to address the Federal Bar Association because you are engaged in the daily task of giving legal advice to the officials of the Government and in guiding to so great an extent the course of the Government's official conduct, and occupy a key position in relation to some of the most important problems of our time.

There is naturally much comment today, and a great deal of it not friendly comment, about the enlargement of governmental activities and Government personnel in recent years. Some of the commentators speak of this enlargement as if it were a new thing. As a matter of fact it is an old thing. It has been going on steadily since the foundation of the Republic, but more especially during the past 60 years. Every administration, Republican as well as Democratic, has found it necessary, since the days of Cleveland, to extend the sphere of Federal activity.

The fact that this extension has been so uniform and progressive over so long a period of time should clearly indicate that there is nothing necessarily arbitrary or unusual about it, but that it has been the consequence of the march of events which governments cannot properly disregard. It is only one reflection, among many, of the profound revolution in our ways of life which has followed in the wake of the



THE PATRIOT

Address

of

Hon. William G. McAdoo

of California

before the

Veterans of Foreign Wars of the
United States

February 28, 1938

(Printed in the Congressional Record of
March 1, 1938)

(Not printed at Government expense)



United States
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Washington: 1938

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Congressional Record

SEVENTY-FIFTH CONGRESS, THIRD SESSION

Withdrawal of Ships From Intercoastal Traffic

—SPEECH—

OF

HON. WILLIAM GIBBS McADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

March 3, 1938

Mr. McADOO. Mr. President—

The VICE PRESIDENT. When the Senate took a recess yesterday afternoon there was a colloquy participated in by a number of Senators. The Chair has examined the statements of Senators and finds that the Senator from Massachusetts [Mr. WALSH] indicated that he might want to conclude his remarks today. The Chair, therefore, thinks he should recognize the Senator from Massachusetts.

Mr. WALSH. Mr. President, I do not care to discuss the unfinished business further at this time.

Mr. McADOO. Mr. President, last evening I obtained consent that I might address the Senate briefly today on the subject of the withdrawal of ships from the intercoastal traffic.

The VICE PRESIDENT. The Senator from California is recognized.

Mr. McADOO. Mr. President, on November 22, 1937, I introduced Senate bill 3032, which was referred to the Committee on Intercoastal Canals.

On the 24th of November I introduced Senate bill 3038, which was referred to the Committee on Commerce.

On January 26, 1938, I introduced Senate bill 3320, which was referred to the Committee on Commerce.

On January 26, 1938, I introduced Senate bill 3321, which was referred to the Committee on Intercoastal Canals.

Those bills had reference to certain vessels under our flag which are engaged in the intercoastal trade between the Pacific coast and the Atlantic coast, New York being the terminus on the Atlantic coast, and San Francisco the terminus on the Pacific coast. Hearings have been held on all the bills, but the committees have not as yet reported them. I do not mean to criticize the committees by calling attention to the fact that reports have not been made; but since they have not been made, and the situation is daily growing more and more exigent, I felt it incumbent upon me, in order to try to save the situation and avoid a cessation of this important intercoastal service, to introduce on March 1, 1938, Senate Joint Resolution 272, which I asked to have lie on the table, for the time being, until I could explain to the Senate my reasons for introducing it.

I have heretofore adverted in speeches I have made on this floor to the importance of keeping these intercoastal vessels in the service of our people; and in one of the speeches I outlined the fact that three of these vessels, those operated by the Grace Line, have already been withdrawn from the service and that the three vessels now operated by the Panama Pacific Co. will shortly be withdrawn from the service unless some action is taken by the Congress.

I may state that the steamship *Pennsylvania* sails from San Francisco for the last time on March 12. That will be 9 days from now. The steamship *Virginia* sails from San Francisco on March 26, and the steamship *California* sails

from San Francisco on April 9. These fine vessels are "heading for the last round-up" because, as each of these vessels reaches New York, it will not return to the Pacific Ocean; and the State of California and the entire Pacific coast, including of course the States of Washington and Oregon, will be wholly deprived of any fast and first-class steamship service between ports in those great States and the State of New York.

Mr. President, I do not think the seriousness of the situation is generally appreciated here; and I can understand why it may not be, because San Francisco and the Pacific coast are a long way from the East. Therefore, the full significance and effects of this disastrous withdrawal or destruction of our fast steamship communication with the East may not be appreciated by some people. It is important that something should be done immediately to prevent the consummation of this catastrophe which threatens the States of the Pacific coast.

It was for that reason that I introduced, the other day, Senate Joint Resolution 272, which provides that the surviving ships, those operated by the Panama Pacific Line, may be operated in the present service for another year, during which time we can study the situation with care, and undoubtedly find a solution of this very exigent problem.

My purpose in introducing the joint resolution is to obtain swift action, if possible, from the Congress, because it must be obvious to every Member of the Senate that within the brief period which is now left before these ships are finally withdrawn from service—less than a month—it is hardly likely, first, that we can secure legislation with respect to a bill for subsidies to any part of our domestic steamship lines; or, second, that we can get action on the bill I have introduced to repeal the provisions of the Panama Canal Tolls Act so as to give toll exemption to these intercoastal vessels.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. McADOO. I yield to the able Senator from Michigan.

Mr. VANDENBERG. The Senator is asking that the Maritime Commission shall take over these ships and operate them upon their existing runs. Am I correct in understanding that that cannot be done, and that the Senate joint resolution can have no validity, except as the Maritime Commission first takes over the ships, and that there is some question as to whether they will take them over?

Mr. McADOO. I may say to the Senator that I had planned to discuss that phase of the matter, and I am glad he asked the question.

There is a controversy—I believe there is a suit—between the American Line Steamship Co. and the United States because of the cancellation by the United States in the Maritime Act of the so-called mail subsidy or mail contracts which had been made and were then existing between some of these domestic lines and the Post Office Department. Whether or not that is a justifiable suit, I cannot say.

Upon its face it seems to me to be justifiable. The lines had a 3-year contract, and it was abruptly terminated by the Government. As I understand, negotiations are in progress for the settlement of the suit, and if those negotiations should be concluded on the lines which are now being considered the Maritime Commission would obtain possession of

Congressional Record

SEVENTY-FIFTH CONGRESS, THIRD SESSION

Reorganization of Executive Departments

SPEECH

OF

HON. WM. GIBBS MCADOO

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

March 28, 1938

Mr. MCADOO. Mr. President, this morning I received a large assortment of telegrams from constituents of mine in California, urging me to vote for the motion to recommit the pending bill. I am quite sure the senders of the telegrams are well-intentioned and that they are really alarmed about the possibility that the reorganization bill may pass; but I do not think there is any occasion for their alarm. I do not know who inspired the sending of the telegrams, but whatever the source from which they have come, or whatever has occasioned their coming, I must be governed in my vote by my own conscientious convictions as to what should be done.

I do not believe democracy will be endangered by the passage of this bill. I do not believe the Government is going to be destroyed or imperiled because we dare to give the Executive of the Nation power to do some things which are essential in the reorganization of the departments and the independent agencies of the Government. We all know that we have here a growth over a period of years, and that many extraneous things, some of them excrescences, have grown up and around the various governmental agencies and departments and we know that they ought to be removed. Anyone who has had experience in this body, and more particularly anyone who has had any experience as a member of one of the great executive departments of the Government, must know that we can never effect any reorganization or any improvement in the organization of the Government unless we are willing to entrust to the head of the Government the power to bring it about. One man must do this job, and so long as that one man is so restricted that he must complete the job within a brief period of time, I not only cannot see that the Government is endangered by it, but, on the contrary, I think the public interest will be served.

In my judgment, the President of the United States is sufficiently patriotic and sufficiently intelligent to do this job in such a way that he will effect the reforms that are essential, and his patriotism is so great that the Constitution of the United States will survive the ordeal, if it be an ordeal, through which we are going to put it, by empowering the President to effect much needed reforms.

We are giving the President 2 years within which to do this job and report back to Congress. The reforms will go into effect during that time. The argument has been made to me, and I have heard it on the floor repeatedly, that if the President puts the reforms into effect, and the Congress is not satisfied with them, and should enact legislation to alter the structure which the President creates, it would take a two-thirds vote to give effect to our action.

Well, suppose it should. Do we not live under that rule all the time with respect to any legislation which is enacted in this body? No matter what reform we may effect by legislation, and no matter what legislation we may pass concerning any matter, it stands until repealed by Congress; and if the President should veto the repeal, of course it must be passed over his veto by a two-thirds vote if it is to be passed at all. That is our constitutional system; and it seems to me that in enacting essential legislation to meet the conditions which exist, we must never be deterred by the fact that if conditions change and we desire to alter any reorganization plan by legislation, the President might veto the new legislation, and therefore we should have to command a two-thirds majority to accomplish what we desired to do.

I repeat, that is our system of government; and in all the legislation we enact, and in everything we do, we must take the chance that if we desire to reverse our action some time in the future, a President may veto the reversal, and in order to overcome his veto we must do it by a two-thirds vote.

Mr. President, I have had some experience in one of the great executive departments of the Government. I had the honor to preside over one of them for 6 years. I know that when Woodrow Wilson became President of the United States one of the reforms he was most anxious to accomplish was a reorganization of the governmental departments and agencies. He set out to do that, but immediately was confronted by the fact that he lacked the legislative power to put into execution the things he wanted to do. He would have sought that power from the Congress, but unfortunately the World War intervened, and all his plans for that purpose were frustrated.

Since that time many more agencies have been created under the stress of a great emergency. These agencies have not been, in my opinion, as well constructed as they might have been. They represent a compromise, so to speak, a compromise of the character which we nearly always have to effect in order to get legislation of any character through both bodies of the Congress. Therefore they are not welded agencies; they are not homogeneous agencies; they are not well related agencies, and they are costing the taxpayers of the United States a great deal of money. Not only that, but inefficiency in administration results.

The great trouble in Washington with Government business is the inertia resulting not only from red tape, but because we have an inefficiently constructed Government. I submit to my colleagues that if we are ever to have a reform in this great matter, which has become more vital than it ever was before, we must entrust to the President of the United States the power to effect the necessary reforms, and then let Congress correct any errors he may subsequently make. Error by the Executive is a risk we have to take in all legislative action, and for my part, I am not afraid that the Constitution is going to be destroyed or that the President will not exercise the powers proposed to be committed to him wisely, conservatively, and for the best interests of the American people.

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THE NAVAL EXPANSION BILL

Speech
of
Hon. William Gibbs McAdoo
of California
in the
Senate of the United States

May 2, 1938



(Not printed at Government expense)



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WHY WE WANT McADOO

There is one outstanding reason why W. G. McADOO should be nominated by the Democratic National Convention at New York, namely, that he has the best chance of being elected of any of the possibilities suggested.

To state this is no reflection on other candidates. Mr. McAdoo himself has never criticized other candidates. All have certain elements of strength. But none of them would be as certain to defeat President Coolidge as Mr. McAdoo. WHY?

McADOO is known personally to more people in every section of the country than any other man in America.

McADOO is not a sectional candidate. He has lived in the South and in the East and now resides in the West.

McADOO is square. During his long administration of the Treasury Department more than forty billions of the people's money passed through his hands with never even a breath of scandal.

McADOO is aggressive, as contrasted with the chilly Coolidge.

McADOO is a great administrator. He built the New York tubes in New York.

McADOO knows Europe and Latin America. It was he who inaugurated the Pan-American Financial Conference.

McADOO has done more for war veterans than any other man. He framed the war risk insurance law and has stood consistently for adjusted compensation.

McADOO has been the outstanding proponent of equal rights for women. Long before he thought of entering politics, he gave women on his New York railroad equal pay with men and later he performed the same service for the women on all the railroads of the United States. He supported women's suffrage before it became popular.

McADOO can stand four square on the progressive platform the Democratic National Convention must surely adopt.

McADOO stands squarely for law enforcement.

McADOO's record shows he has always practiced as well as preached equal opportunity for all. He believes in freedom of religious worship, freedom of the press, and the right of petecable assembly.

Every practical man admits that if Democracy is to be triumphant this year, it must in addition to Eastern votes draw its strength from the South and West, and particularly the West.

Even granting that another candidate could carry the South (and it must be remembered that the South is dry), it would not be sufficient for that candidate to carry a few Eastern states.

The Democratic candidate, to win, must carry the West.

McADOO is vastly stronger in the West than any other candidate, Democratic or Republican.

McADOO lives in the West and knows the West. Even before moving to California, he owned a ranch in Arizona and made innumerable trips to the West. More than that, he lives in California, the biggest state in the West. California, with its favorite son as a candidate, will be not even debatable ground, as it was in 1916 when it was carried by Woodrow Wilson.

McADOO knows the farming problem better than any other candidate. As chairman of the Federal Farm Loan Board in the Wilson Administration, he studied the problem exhaustively, he organized the Farm Loan System, he lowered farm mortgage interest rates in the West. The crop moving stringencies inspired in Wall Street were ended by him. He saved the cotton farmers in 1914.

Coolidge is reactionary. McADOO is progressive.

McADOO is the only Democratic candidate who has led in the fight for the repeal of the guaranty section of the obnoxious Elch-Commins Railroad Law, a section to which Western Democrats as well as other Democrats are bitterly opposed.

To carry the election the Democratic candidate must appeal to elements outside the regular Democratic Party and McADOO, with his large following of labor, especially among railroad men, of women, of ex-servicemen, farmers and progressives of all parties, is the only candidate who fulfills this requirement.

McADOO is as strong in the East as any other candidate and in addition he can carry the South and the West and therefore can be elected. No other candidate can approach him in the elements of popular strength.

Practical delegates to the New York Convention, therefore, will vote for McADOO.

